

RICHLAND COUNTY COMMISSIONERS

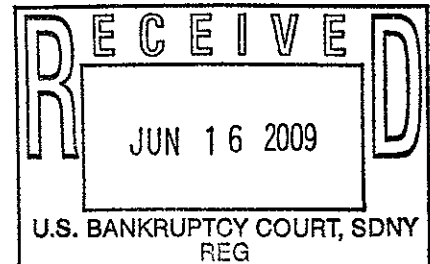
COUNTY ADMINISTRATION BUILDING
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June 8, 2009

The Honorable Robert E. Gerber, Judge
United States Bankruptcy Court,
Southern District of New York
One Bowling Green
New York, New York 10004 – 1408



Re: General Motors Bankruptcy

Dear Judge Gerber:

Our Board is writing on behalf of the people of Richland County, Ohio, to ask the court to conduct the General Motors bankruptcy proceedings along a time line that will allow our community time to adjust to a loss of \$190,000,000 from our local economy.

The initial announcement of the closing of the Ontario, Ohio, General Motors Stamping Plant put the shut down date as being June 2010. It is now our understanding that GM wishes to accelerate that time frame by removing presses and other equipment by early July 2009. That would mean the layoff of a majority of the 600 active permanent and 500 employees on layoff that are currently there. We are asking for consideration that the shutdown timeline should be extended to December 2010. The community does expect to receive federal and state funding for worker retraining, but that requires a timeline to train those workers and assist them in finding jobs where those skills can be applied and where they are still marketable in a depressed economy.

Richland County, Ohio, has endured the erosion of its manufacturing base for nearly thirty years. Companies that were founded here by local entrepreneurs were later sold to conglomerates which moved factories and jobs to other locations causing a net loss of approximately 10,000 manufacturing jobs from such companies as Westinghouse, Tappan, Ohio Brass, Mansfield Tire, Peabody Barnes, AMF, and National Seating. Our current unemployment rate is 13.2% even before a GM shut down. Surrounding counties also have double digit unemployment rates which make North Central Ohio's nine counties among the hardest hit in Ohio during this recession. In addition, Richland County has been especially affected by the foreclosure crisis. We are the 18th largest county among Ohio's 88 counties, but we are ranked 10th in foreclosures. The foreclosure rate has resulted in a devaluation of real estate in the County. The average residential property has dropped from \$91,000 to \$88,000. Furthermore, since 1965, Richland County's median household income has shrank from being equal to that of the

national average to now being 79% of national household median income. Public institutions such as schools, local government, and the public library are hard pressed to deliver superior services when the tax base that supports such services continues to contract.

Yet, beyond the simple economics surrounding this plant shut down, we believe we have standing to raise an issue of equity. General Motors sought local support to help ensure its survival. The community gave the support requested. The City of Ontario granted tax abatements in the late 1980's to assist with the \$750,000,000 plant expansion that provided the facilities to install new transfer presses to increase production and raise worker productivity. In 2006, the Ohio Board of Tax Appeals granted a lowering of the GM property's market valuation effective in 2007 from \$35,720,830 to \$25,582,400 with a further decrease to take effect in 2008 to lower market valuation to \$14,656,400. Ohio's real property tax valuation is 35% of market value, and in Richland County approximately 70% of all property taxes are used to support the local schools. In this case, the Ontario Local School District would have experienced a loss of revenue from GM of 59% by devaluing the property. In addition to lost revenue to the school system, the City of Ontario will lose the local income tax generated from GM plant's payroll resulting in a drop of 30% of the city's annual revenue income.

In April 2004, the Ontario GM Plant Manager met with the Board of Commissioners, our state senator, state representative, and the president of our two year technical school, North Central State College, to brief us on what obstacles lay in the way of the local plant's future. He specifically stated that 250 tool & die makers would retire over the next ten years due to planned retirements. Our employment base did not have sufficiently trained workers to replace the retiring tool & die workers. Unless we did, he stated that it would be cheaper for GM to move the stamping operation to another location than to hire and relocate needed skilled craft. If, however, we did have a better trained workforce, it would play a pivotal role in any corporate decisions on plant closures. North Central State College had the ability to develop and implement the training, but it lacked the facilities. The state legislators felt that the State of Ohio lacked development money to assist in building the facilities. The Board of Commissioners then pledged a grant of \$565,000 to North Central to build the facility as an extension of their Advanced Manufacturing Skills Training Center. The Board also pledged \$297,900 in training funds to pay for worker retraining. The Board of Commissioners training dollars leveraged \$2.5M from the Ohio Dept. of Development. Over a two year period, this funding trained over 3,000 incumbent workers already working in manufacturing to acquire higher skills. The trained workers included 300 in tool & die technology which exceeded GM's projected need of 250 over the coming decade. However, following the accomplishment of this goal to support the company's decade long need, we were informed that the company would outsource its tool & die needs.

In 2007, the local plant manager informed our Board that GM wanted all employees trained in Global Manufacturing System competitiveness in a global market. The cost of the training was \$100,000, but he did not have it in his local plant operating budget. The Board of Commissioners approved a \$100,000 grant to pay for the training with the

understanding that this training was considered pivotal to the local stamping plant's competitiveness among GM's facilities to remain open.

Our Board is asking the Court to deny the acceleration of the plant's closing and to extend the closing to December 2010. We are also asking the court to keep the property taxes at the level approved by the Ohio Tax Appeals Board to prevent the loss of any more revenue to the local school system. If necessary, we will ask the Richland County Prosecuting Attorney to file a brief as amicus curiae with your court to formalize this request.

Thank you for allowing us to address the Court on this matter. We appreciate the Court's consideration of our requests.

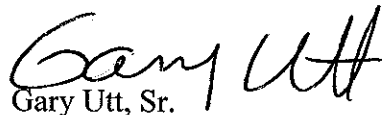
Sincerely,



Edward W. Olson



Timothy A. Wert



Gary Utt, Sr.

Board of County Commissioners
Richland County, Ohio

Cc: Richland County Prosecuting Attorney